REMARKS/ARGUMENTS

The Applicants have carefully considered this Application in connection with the Examiner's Action and respectfully request reconsideration of this Application in view of the following remarks.

The Applicants originally submitted Claims 1-21 in the Application. In previous responses, Claims 5, 12, and 19 were cancelled without prejudice or disclaimer, and the Applicants added new dependent Claims 22-24. Accordingly, Claims 1-4, 6-11, 13-18, and 20-24 are currently pending in the Application.

I. Rejection of Claims 1, 6, 8, 13, 15, 20 and 22-24 under 35 U.S.C. §102

The Examiner has again rejected Claims 1, 6, 8, 13, 15, 20 and 22-24 under 35 U.S.C. §102(b) as being anticipated by U.S. Patent 5,774,170 to Hite *et al.* ("Hite"). The Applicants respectfully disagree with these rejections in light of the following remarks, and respectfully request the Examiner to allow to claims to issuance.

Claim 1 recites that a media player receives *and stores* media from a remote system via a computer network and plays *stored* media content in response to customer requests, *the customer requests constrained by playback rules that selects among media content to be distributed, received, and stored among a plurality of media players, wherein the media player receives and stores, according to the playback rules, at least some different distributed media content than another of the plurality of the media players.* (Emphasis added.)

According to the present Application, in at least some embodiments: "Playback rules

govern how the media is distributed to the various media and advertisement players with which the remote system 1110 interacts." (*See* page 10, paragraph [0005].) "Accordingly, playback rules are designed to govern (1) *which media is loaded into which media and advertisement players and (2) when the media is loaded.*" (*See* page 11, paragraph [0007]; emphasis added.)

In at least some embodiments:

> Playback rules include aspects selected from the group consisting of: (1) geographic location of the media and advertisement players, (2) establishment type in which the media and advertisement players are located, (3) demographics of establishment in which the media and advertisement players are located, (4) media playback history for the media and advertisement players, (5) time of day, (6) date, (7) day of week, (8) month of year and (9) season of year." (*See* page 10, paragraph [0005].)

"[T]he broad definition of 'media' includes informational or educational content, or any other content that may be desired to distribute to remote players. 'Media' is not, however, defined to include advertisements ...." (*See* page 10, paragraph [0004].)

As discussed previously, Hite is generally directed to television and radio advertising, delivering and displaying electronic commercials within specified programming one or more predetermined households while simultaneously preventing a commercial from being displayed in other households or on other displays for which it is not intended. (*See* Abstract.) In Hite, commercials are classified into three categories: 1) non-premeptable, 2) conditionally preemptable, or 3) unconditionally preemptable. (*See* col. 3, lines 45-47.) Each commercial has an appended Commercial Identifier Code (CID), pertaining to this preemption. (*See* Col. 3, lines 43-44.) At a point of usage, the CID codes are analyzed. When a match between the CID in the commercial and the CID stored at point of use is found, the advertisement is then presented to the viewer. (See col.

3, lines 3-8.) When the CID does not match, the commercial is not displayed. If multiple matches occur, there is a priortization sequence to determine which commercial is displayed at any one time. (*See* col. 4, lines 12-17.) This priortization can account for whether or not a commercial is or is not preemptable.

Within the "Claim Rejections" section of the present Examiner's Action, starting on page 2, the Examiner did not address the arguments made in the last rejection regarding independent Claim 1. Instead, the Examiner merely reiterated the same cited passages as before as disclosing the claimed elements, and then the Examiner cited additional passages of Hite in the rejection which purportedly disclose the newly proposed elements of previously amended Claim 1. (*See* Examiner's Action, pages 2-3, page 7.)

Regarding the previously cited passages of Hite, the Applicants therefore again reaffirm their previous arguments, and request that the Examiner meet his *prima facie* burden of proof regarding these arguments, and allow the claims to issue. The Applicants again respectfully contend that the media player of Claim 1 is not anticipated by the passages of Hite cited by the Examiner. (*See* Examiner's Action, page 3.) For example, although RDs may be mentioned in cited passages of Hite, the Applicants are unable to find a disclosure of customer requests constrained by playback rules that the customer requests constrained by playback rules *that select* among media content to be *distributed,* received, and stored among a plurality of media players.

The Examiner has made the following contentions in the "Response to Arguments" section regarding the claims in the present Examiner's Action. (*See* Examiner's Action, page 7.) The Examiner contends:

> Notably the current rejection (*sic.*) recites the storage and display of both the media content and the targeted commercial at the display site when a customer requests a video on demand. Additionally, the examiner notes that the applicant is claiming a media and advertisement player, a method of manufacturing said player, and a method of playing media and advertisements. *The newly proposed amendments directed towards the receipt of media, the receipt [of] advertisements or actions performed by other media players is outside the scope established by the preamble and as such bears little if any patentable weight regarding the limitations imposed by the current claims.*" (*See* Examiner's Action, page 7; emphasis added.)

The Applicants respectfully disagree with the Examiner regarding this point of law. The Applicants are unable to find within the M.P.E.P., §2111.02 "Effect of Preamble", or elsewhere within the M.P.E.P., any support for this proposition of the law. The Applicants respectfully request that the Examiner point of with specificity within the M.P.E.P. and case-law support for this proposition of the law, or withdraw the contention of law as unfounded, and give the claimed elements their proper patentable weight. The Applicants respectfully contend that the Examiner has indeed not given these claim elements their proper patentable weight, and has therefore not presented a proper case of anticipation of Claim 1, as will be discussed below.

The Examiner further contends: "Since the commercials of Hite are targeted, and the media of Hite is customer selectable via a video on demand system ... Therefore, Hite meets the limitations of the currently amended claims." (*See* Examiner's Action, page 7.) Assuming, *arguendo*, that the commercials of Hite are targeted, and the media of Hite is customer selectable via a video on demand system, the Applicants respectfully traverse the conclusion of the Examiner, that Hite meets the elements of the claims, as will be explained below.

The Examiner is obliged to consider the claim as a whole. (*See* M.P.E.P. §2106(II)(C), citing *Diamond v. Diehr*, 450 U.S. 175, 188-89, 209 U.SP.Q. 1, 9 (1981).) When Claim 1 is read as

a whole, the Examiner must find a media player that receives and stores media from a remote system via said computer network and plays stored media content in response to customer requests, *said customer requests constrained by playback rules that select among media content to be distributed,* received, and stored among a plurality of media players.... (Emphasis added.) As discussed above, "playback rules are designed to govern *(1) which media is loaded into which media and advertisement players and (2) when the media is loaded.*" (*See* page 11, paragraph [0007]; emphasis added.) This the Examiner has not done. Therefore, the Examiner has not met his evidentiary burden, and has therefore not presented a proper case of anticipation.

The Examiner also states that: "Additionally , the Hite reference discloses that the CID codes in the media are matched with the CID codes of the advertisements. This represents a correlation between the media content and the advertising schedule." (*See* Examiner' s Action, page 7.) Again, assuming, *arguendo*, codes in the media are matched with the CID codes of the advertisements in Hite, and that this represents a correlation between the media content and the advertising schedule, the Applicants respectfully traverse the conclusion of the Examiner that Hite meets the limitations of the claims, as will be explained below.

As discussed above, the Examiner is obliged to consider the claim as a whole. (*See* M.P.E.P. §2106(II)(C), citing *Diamond v. Diehr*, 450 U.S. 175, 188-89, 209 U.SP.Q. 1, 9 (1981).) When Claim 1 is read as a whole, the Examiner must find an advertisement player that receives advertisements and a corresponding advertising schedule from said remote system via said computer network that stores and plays said advertisements according to said advertising schedule, said advertising schedule being dependent upon play of a content of said media, wherein said advertising

schedule is correlated to said stored media content, *said stored media content constrained by said playback rules*. (Emphasis added.) As discussed above, "playback rules are designed to govern (1) *which media is loaded into which media and advertisement players and (2) when the media is loaded*." (*See* page 11, paragraph [0007]; emphasis added.) This the Examiner has not done. Therefore, the Examiner has not met his evidentiary burden, and has therefore not presented a proper case of anticipation.

In the present Examiner's Action, the Examiner cites to col. 1, lines 6-10; col. 5, lines 28-col. 6, line 39: col. 5, lines 28-60; col. 6 line 60- column 7, line 34; col. 7, lines 51-63; col. 9, lines 32-42; and col. 14, lines 59-65 of Hite as anticipating the media player as claimed above in independent Claim 1. (*See* Examiner's Action, pages 2-3.) The Examiner adds new cites col. 5, lines 61- col. 6, line 39; col. 6 line 60- column 7, line 34; col. 7, lines 51-63; col. 9, lines 32-42 as newly anticipating the above claimed language in the present Examiners Action. Indeed, the Examiner states: "the examiner has cited additional passages in the rejection above which disclose the newly proposed limitations." (*See* Examiner's Action, page 7.)

The Applicants will therefore analyze each newly-cited passage of Hite in turn. The Applicants note that the Examiner did not correlate specific passages with specific elements of the claimed language, as is generally appropriate and required. "USPTO personnel are to correlate *each claim limitation* to all portions of the disclosure that describe the claim limitation." (*See* M.P.E.P. §2106.C; emphasis added.) The Applicants respectfully state that the Examiner, at best, has made a purported general allegation of correlation between all elements of a claim paragraph to a number of cited passages, some of which are a number of paragraphs long. The Applicants traverse the

characterization of the passages of Hite made by the Examiner, and have therefore reproduced the passages in their totality. However, the Applicants reserve the right to argue that the Examiner has not presented a proper *prima facie* case of anticipation at least due to this lack of correlation for each element of Claim 1 in the present Examiner's Action.

Col. 5, line 61 to col. 6, line 39 of Hite state:

> Multiple commercials, each with a unique CID, are simultaneously broadcasted in a television or radio commercial spot. For instance, rather than broadcasting one 30-second commercial, a number of commercials might be broadcasted simultaneously over different separate channels. Note that these simultaneously broadcasted commercials could be compressed in a digital transmission to fit within the distribution bandwidth as necessary. In any event, there would always be one of the number of commercials designated or chosen as a default commercial that would play unless replaced by a targeted commercial. Depending on the capacity of the transmission system, the number of simultaneous commercials could be relatively small--such as four or five (4 or 5)--or much larger.
>
> A Commercial Processor (CP) at the display site would be programmed by an algorithm transmitted to the RD prior to the CID transmission to look for and analyze the CID in each incoming commercial. However, the algorithm may be transmitted along with the transmitted commercials as discussed later in this application. As part of such analyzing in accordance with the algorithm, the CID in each incoming commercial is compared to the CIDs previously received and recorded by the RD. This can be accomplished by having several simultaneous tuners detecting the CIDs in each of the simultaneous commercials. These tuners are installed at the display site in the television receiver, VCR, or set-top box. To assist in the process of comparison, a directory may optionally be provided which maps the locations of the commercials simultaneously available and the commercials which are available for preemption. This would avoid the need for simultaneously operating tuners receiving each of the simultaneous commercials.
>
> If there is a match between the CID in the commercial and the CID in the RD, the commercial is displayed. This is accomplished by tuning to the frequency which contains the targeted commercial and, if it is digitized, selecting the correct digital data stream. When the CIDs do not match, the commercial is ignored and not displayed. In this preferred embodiment, there is one possible match at any given time. However, the system may be designed to employ multiple matches. In such a

> case, there would be prioritization programming that determines which commercial to display and which to ignore. The system thus described can be enhanced by the additional codes described above.

The Applicants respectfully contend that the above does not disclose, as claimed in Claim 1, a media player that receives *and stores media* from a remote system via said computer network and plays *stored* media content in response to customer requests, *the customer requests constrained by playback rules that selects among media content to be distributed, received, and stored among a plurality of media players* .... As discussed above, "playback rules are designed to govern *(1) which media is loaded into which media and advertisement players and (2) when the media is loaded.*" (*See* page 11, paragraph [0007]; emphasis added.) Instead, the above passage of Hite is directed to commercials using CIDs and the broadcast of simultaneous commercials.

Furthermore, the Applicants respectfully state that he above does not disclose *wherein the media player receives and stores, according to the playback rules, at least some different distributed media content than another of the plurality of the media players.* Instead, multiple commercials are simultaneously broadcasted and then pre-empted. No disclosure of storing media is made, nor of the storing some different media content.

Col. 6 line 60- col. 7, line 34 of Hite state:

> In a second preferred embodiment of the system and process in accordance with the invention, an individually addressable digital recording device (RD) with a unique address is installed at the display site in the television receiver, VCR, display device set-top-box or modular decoder associated with the video provider (cable, DBS, telephone, etc.). CID codes chosen for a particular display site (consumer) are transmitted to and stored in an in-home storage at the display site. Commercials are subsequently transmitted to the in-home storage device with sufficient capacity to hold one or more commercials prior to display. The commercials could be in analog form, but it is more efficient of transmission and storage capacity to digitize and compress the commercials

> prior to transmission and storage. Attached to each commercial are codes indicating the conditions and rules required to display the commercial, e.g., date, day-part, network, program context, etc. The codes of the commercials transmitted are first compared to the codes previously stored. The commercial transmitted that is found to match is stored in the storage at the display site. Note that the CIDs and display rules would be stored in a storage known as an Ad Queue in the commercial processor.
>
> Commercial time or spots when addressable ads can be displayed will have a unique identifier code (CID). This code will be part of the conditions required for displaying the addressable spot. These eligibility codes could be applied, i.e., transmitted by the network or locally in local-avail spots. The program delivery system would broadcast a default commercial in the spot eligible for the addressable ad. This spot would air in a home or display that was not targeted for an addressable ad in that time period.
>
> The commercial processor in the home would look for the CID in each incoming commercial at a break during a broadcast program. If there was a CID at a break, the processor would apply the display rules for the stored, addressable ads. If there was an ad to display, it would substitute the addressed ad for the default ad, and eliminate it from the ad queue as necessary.
>
> Frequency, sequencing, context, certification and personalization data could be applied as in the first preferred embodiment.

The Applicants also respectfully contend that the above does not disclose, as claimed in Claim 1, a media player that receives *and stores media* from a remote system via said computer network and plays *stored* media content in response to customer requests, *the customer requests constrained by playback rules that selects among media content to be distributed, received, and stored among a plurality of media players...* As discussed above, "playback rules are designed to govern (1) which media is loaded into which media and advertisement players and (2) when the media is loaded." (*See* page 11, paragraph [0007].) Instead, the above is directed to commercials using CIDs and the broadcast of simultaneous commercials.

Furthermore, the Applicants respectfully state that he above does not disclose *wherein the*

media player receives and stores, according to the playback rules, at least some different distributed media content than another of the plurality of the media players. Instead, multiple commercials are simultaneously broadcasted and then pre-empted.

Col. 7, lines 51-63 of Hite state:

> In a third preferred embodiment of the system and process in accordance with the invention, the commercials are delivered in a switched video on demand (VOD) system. In a VOD system, consumers request programming which can begin at any time. The programming comes from massive storage systems called servers. Those servers supply signals to switches which rout the requested video to the individual display device. The commercial choice switched to that location is based on a match of the CID determined for that location and the CID embedded in the commercial. Such matching may occur at the display site or at the head-end. This approach requires minimal storage at the receive site.

The Applicants respectfully contend that the above does not disclose, as claimed in Claim 1, a media player that receives *and stores* media from a remote system via said computer network and plays *stored* media content in response to customer requests, *the customer requests constrained by playback rules that selects among media content to be distributed, received, and stored among a plurality of media players* .... As discussed above, "playback rules are designed to govern*(1) which media is loaded into which media and advertisement players and (2) when the media is loaded.*" (*See* page 11, paragraph [0007]; emphasis added.) Instead, the above is directed to commercials using CIDs and the broadcast of simultaneous commercials. The cited passage of video on demand does not have a recitation of customer requests that are constrained by playback rules.

Furthermore, the Applicants respectfully state that he above does not disclose *wherein the media player receives and stores, according to the playback rules, at least some different distributed*

media content than another of the plurality of the media players. Instead, multiple commercials are simultaneously broadcasted and then pre-empted.

Col. 9, lines 32-42 of Hite recite:

> The package of programming and processed commercials and CID codes is conveyed to the display site 400 (reception site) via electrical and/or optical links 303, or radio transmission via antenna 302 and 401, or via satellite 202 and antennas 301 and 402, or even via physical means 307 such as optical or magnetic tapes or disks or other suitable means.
>
> In some situations, one or more of the facilities 100, 200, 300, and 400 may be co-located simplifying the transmission requirements for the processed commercials and CID codes.

The Applicants respectfully contend that the above passages of Hite does not disclose, as claimed in Claim 1, a media player that receives *and stores* media from a remote system via said computer network and plays stored media content in response to customer requests, *the customer requests constrained by playback rules that selects among media content to be distributed, received, and stored among a plurality of media players* ... As discussed above," playback rules are designed to govern *(1) which media is loaded into which media and advertisement players and (2) when the media is loaded.*" (*See* page 11, paragraph [0007]; emphasis added.) Instead, the above is directed to commercials using CIDs and the broadcast of simultaneous commercials.

Furthermore, the Applicants respectfully state that the above does not disclose *wherein the media player receives and stores, according to the playback rules, at least some different distributed media content than another of the plurality of the media players.* Instead, multiple commercials are simultaneously broadcasted and then pre-empted. .

Moreover, Claim 1 as further recites an advertisement player *that stores* and plays

advertisements according to said advertising schedule, the advertising schedule being dependent upon a play of a content of the media, wherein the advertising schedule is correlated to the stored media content, *and the stored media is constrained by the playback rules*, the playback rules as defined in Claim 1. The Applicants respectfully contend that the media player of Claim 1 is not anticipated by the passages of Hite cited by the Examiner. For instance, col. 6 line 10, through col. 7, line 14 of Hite discusses finding matches between a CIDs of an incoming advertisement, and a CID in a digital recording device (RD). (*See* Examiner's Action, page 3.) However, the Applicants have been unable to find a disclosure of an advertising schedule that is correlated to stored media content, *the stored media content constrained by the playback rules,* as claimed in Claim 1. As discussed above, "playback rules are designed to govern*(1) which media is loaded into which media and advertisement players and (2) when the media is loaded.*" (*See* page 11, paragraph [0007]; emphasis added.)

Furthermore, as discussed above, *said media player of Claim 1 receives and stores at least some different distributed media content than another of the plurality of said media players according to the playback rules*. Although RDs are mentioned in Hite, the RDs do not employ *playback rules* that selects among media content to be distributed, received, and stored among a plurality of media players wherein said media player receives and stores *at least some different distributed media content than another of said plurality of said media players according to said playback rules,* as claimed in Claim 1.

Moreover, as discussed previously, Hite does not disclose a tracking subsystem that generates as-run logs containing records of a playing of said media and said advertisements and

transmits said as-run logs to said remote system via said computer network, the as run logs employed by *the remote system to generate and adjust the playback rules* as defined elsewhere in Claim 1. The Examiner again cites to col. 4, lines 62 through col. 5, line 27 as anticipating claim 1 as previously presented. (*See* Examiner's Action, page 3). However, the Applicants are unable to find in the cited portions of Hite of run logs employed to generate *playback rules by a remote system* as defined in Claim 1. Instead, although Hite may discuss communicating certification codes upstream when a commercial is successfully displayed, Hite does not disclose *adjusting playback rules* as claimed in Claim 1. As discussed above, "playback rules are designed to govern *(1) which media is loaded into which media and advertisement players and (2) when the media is loaded.*" (*See* page 11, paragraph [0007]; emphasis added.)

Therefore, Hite does not disclose each and every element of the claimed invention, and its dependent claims and as such, is not an anticipating reference. For analogous reasons, Hite does not disclose each and every element of independent Claims 8 and 15, and their dependent claims, either Accordingly, the Applicants respectfully request the Examiner to withdraw the §102 rejection with respect to these Claims, and to allow issuance of Claims 1, 6, 8, 13, 15, 20 and 22-24.

II. Rejection of Claims 2-4, 7, 9-11, 14, 16-18 and 21 under 35 U.S.C. §103

The Examiner has rejected Claims 2-4, 7, 9-11, 14, 16-18 and 21 under 35 U.S.C. §103(a) as being unpatentable over Hite in view of U.S. Patent Publication 2002/0054087 to Noll, *et al.* ("Noll".) The Examiner has not cited Noll for curing the deficiencies of Hite regarding the above-discussed Claim 1. Nor have the Applicants found within the cited portions of Noll a disclosure or

teaching of the deficiencies of independent Claim 1, nor for analogous reasons, independent Claims 8 and 15, as discussed above. The Applicants respectfully state that the Examiner has therefore not presented a *prima facie* case of obviousness for these claims.

Therefore, Hite, individually or in combination with Noll, fails to teach or suggest the invention recited in independent Claims 1, 8, and 15 and their dependent claims, when considered as a whole. Claims 2-4, 7, 9-11, 14, 16-18 and 21 are therefore not obvious in view of Hite and Noll. In view of the foregoing remarks, the cited references do not support the Examiner's rejection of Claims 2-4, 7, 9-11, 14, 16-18 and 21 under 35 U.S.C. §103(a). The Applicants therefore respectfully request the Examiner withdraw the rejection and allow the claims to issuance

III. Conclusion

In view of the foregoing amendment and remarks, the Applicants now see all of the claims currently pending in this Application to be in condition for allowance and therefore earnestly solicit a Notice of Allowance for Claims 1-4, 6-11, 13-18 and 20-24.

The Applicants request the Examiner to telephone the undersigned attorney of record at (972) 480-8800 if such would further or expedite the prosecution of the present Application. The Commissioner is hereby authorized to charge any fees, credits or overpayments to Deposit Account 08-2395.

Respectfully submitted,

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